

NICARAGUA CANAL
GOVERNMENT GUARANTEES.

Mr. Sherman's Report on the Bill
to Amend the Act Incorporat-
ing the Great Waterway.

IMPORTANCE OF THE WORK.

One Hundred Millions of Bonds To Be
Asked for on the Credit of
the United States.

CONDITIONS OF THE UNDERTAKING

[BY TELEGRAPH TO THE HERALD.]

HERALD BUREAU,
CORNER FIFTH AND STREETS, N. Y.

Mr. Sherman, from the Senate Committee on For-
eign Relations, to-day reported a bill to amend the
act of February, 1890, incorporating the Nicaragua
Canal Company and authorizing the issue of bonds
guaranteed by the United States. It was placed on
the calendar and, with the accompanying report,
ordered to be printed.

The report recites the importance of the canal
project, treats in detail of the history of past ne-
gotiations on the subject and maintains that the
proceeding of Great Britain at Belize,
on the Mosquito coast, discharged the
United States from its engagement with Great
Britain in 1850 to refrain from exercising control
of any part of Central America. The report says
that the work of the private corporation on the
canal has advanced with great rapidity; that the
total cost of the project will be but one-third more
than the Wollard Canal, and that it will be com-
pleted within six years. The full cost of the work
is set down at \$100,000,000.

GOVERNMENT GUARANTEE.

The committee feels that to secure this amount
of money the company will be obliged to sell bonds
at large discount. Consequently it will be neces-
sary to impose heavy tolls on shipping, and as the
canal would really constitute a part of the coast
line of the United States this burden would be
largely borne by the American people. Therefore
the committee believes that it would be the part
of economy, aside from the considera-
tions of national policy, for the United States
to guarantee the bonds of the company
to the amount of \$100,000,000, so that they may be
sold at par, with the result of reducing first, the
actual expenditures of the company, and second,
the tolls, which would otherwise amount to
\$3,000,000 annually.

THE PROVISIONS OF THE BILL IN SUBSTANCE ARE AS FOLLOWS:

The capital stock of the company is to be limited
to \$100,000,000, the existing stock and contracts of
the company are to be made to conform to the
requirements of the bill. To secure the means to
construct and maintain the canal, the company is
authorized to issue bonds in denominations of not
less than \$100 nor more than \$1,000, to an amount
not exceeding \$100,000,000, to be dated January 1,
1891, and to be payable January 1, 1901, with inter-
est at the rate of three per cent, payable quarterly.
The bonds are to be secured by a first mortgage
on the property and rights of the company, and the
company, including all concessions and franchises,
and the mortgage is to be so framed as to be a first
lien under the laws of Nicaragua and Costa Rica.
The bonds are to be deposited in the United
States Treasury, and are to be issued by the
Secretary of the Treasury to the company only as
the work on the canal progresses. The bonds are
to bear the guarantee of the United States for prin-
cipal and interest as it accrues, and the company is
to have no other security.

The Secretary is authorized to pay the interest
on the bonds as it becomes due if not paid by the
company, and an indefinite appropriation for the
purpose is embodied in the bill. If the company
fails to pay the interest as it falls due, and upon
the payment thereof by the United States, the com-
pany is required to pay to the United States the
amounts paid by the United States on the guaran-
tees, with interest annually at four per cent until
paid. For such payment the United States is to be
subrogated to the rights under the mortgage which the bond-
holders would have had if the same had remained
unpaid by the company and had not been paid by
the United States.

REDUCTIONS OF PENSION ON ARMY'S FEES

AGREED TO BY THE SENATE COMMITTEE.

The Herald's crusade against the robber pen-
sion claim agents and in favor of the old soldier
has resulted in a substantial victory for the Herald
and the pensioners. The merciless exposure by
the Herald of the abuses and open robbery in-
flicted upon the pensioners by the claim agent
called the attention of Congress to the situation,
and prompt legislation to correct the evils has fol-
lowed.

The Senate Committee on Appropriations to-day
reported the Pension Appropriation bill and recom-
mended the adoption by the Senate of Mr.
Dodge's amendment, heretofore adopted in the
House, reducing the fees of attorneys in increas-
ing cases to \$2. The committee went still further and
added an amendment reducing the fee from \$10 to
\$5 for pensions allowed under the act of June 27,
1890, the Dependent Pension bill.

The amount which will be paid to the old sol-
diers in the cases arising under this one act alone
will be \$8,000,000.

The report is submitted to the House by the Com-
mittee on Pensions estimated that there will be
\$50,000,000 of increases allowed on claim now on
file, which at the present fee would mean an ex-
penditure of \$500,000,000. The committee, Mr.
Dodge's amendment, would reduce the amount to
\$1,000,000, representing a gain to the soldiers of
\$490,000,000. It was estimated that about
42,000 original cases would be allowed under this
act, which at a fee of \$10 would mean an outlay of
\$420,000,000. The amendment proposed by the
committee would reduce these fees to \$2,000,000.

WASHINGTON NOTES.

Mrs. Thomas A. Hendricks, widow of the late
Vice President, will read a paper before the Na-
tional Council of Women, which is to be held at
Washington on February 22.

John F. Hewitt, an ex-soldier and a pensioner,
living at Los Angeles, Cal., returned his pension
certificate on the ground that he can make his own
living.

The Ways and Means Committee to-day ordered a
favorable report on the bill to correct the error
caused by a misplacement of parentheses in the McKinley
Tariff act, whereby sweetened chocolate was made
dutiable at two cents per pound.

Twenty-three members of the Idaho Legislature
protest against moving Fred T. Du Bois to take his
seat as Senator from that State for the term begin-
ning March 4, on the ground of illegality in his
election.

Representative W. I. Hayes, of Iowa, has in-
troduced in the House a bill to establish in the Treas-
ury Department a land loan bureau, whose func-
tion shall be to loan money on unencumbered
agricultural lands.

Representative Pierce introduced a resolution
authorizing the House and Ways and Means Com-
mittee to report on the consideration on Monday,
the 19th inst., the measure entitled "A bill to
equalize taxation and impose a graduated income
tax."

SIGNAL OFFICE FORECASTS.

WASHINGTON, Jan. 10, 1891.—Weather forecasts till
eight P. M. Sunday.—For Eastern New York, fair
during the day, rain or snow by Monday morning;
slightly colder in southern, warmer in northern
portion; winds shifting to easterly.

THE WEATHER YESTERDAY.

The following record shows the changes in the
temperature for the past twenty-four hours, in
comparison with the corresponding date of last
year, as indicated by the thermometer at Hudson's
pharmacy (Herald Building), No. 218 Broadway—

1890, 1891.	1890, 1891.
8 A. M. 33 28	3:30 P. M. 31 41
9 A. M. 33 28	4 P. M. 31 41
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3 P. M. 33 28	10 P. M. 31 41
4 P. M. 33 28	11 P. M. 31 41
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